

Lt. Gov. Brown, Sec. Colmers, Health Care Reform Coordinating Council Present Interim Report to Gov. O'Malley

Federal Health Care Reform to save Maryland \$829 million over 10 years, according to Council estimates

Lt. Governor's Office News Release

BALTIMORE, Md. (July 26, 2010) - Governor Martin O'Malley accepted an interim report from the Maryland Health Care Reform Coordinating Council (HCRCC) today at an event in east Baltimore. The report projects federal health care reform will save Maryland taxpayers \$829 million over the decade and cut the number of uninsured Marylanders in half by 2017. The HCRCC, created by executive order the morning after President Barack Obama signed the Patient Protection and Affordable Care Act (PPACA) into law, is co-chaired by Lt. Governor Anthony G. Brown and Maryland Health and Mental Hygiene Secretary John M. Colmers.

"President Obama's successful passage of federal health care reform was the most significant step towards expanding coverage in generations and in Maryland we hope to use its passage to build upon our existing work to expand coverage and improve care. As the nation turns its attention from the debate over reform to its implementation, states like Maryland look to be leaders," said Lt. Governor Brown.

"Federal health care reform can only be as successful as a state's ability to implement the measures. Governor O'Malley and I, along with our partners in the health care community, accept this challenge with enthusiasm. Because of our forward-looking approach and experience enacting many of the reforms included in the federal legislation, federal health care reform will likely save Maryland taxpayers nearly \$830 million over the next ten years and cut the number of our uninsured neighbors by nearly 400,000."

"Lt. Governor Brown and I believe in providing quality, affordable health care for our families and children," said Governor O'Malley. "I'd like to thank the Maryland Health Care Reform Coordinating Council for the vital work they're doing to implement federal health care reform effectively and efficiently while saving Marylanders hundreds of millions of dollars in costs. Their efforts will continue to ensure our State is a national leader in health care."

Since taking office in 2007, the O'Malley-Brown administration has championed a series of reforms and initiatives similar to those contained in the federal PPACA that have helped expand health coverage to over 205,000 uninsured Marylanders, including 100,000 children. These initiatives include incentives to small business owners to provide insurance for employees, the expansion of Medicaid eligibility to parents making up to \$20,500, new laws that allow young adults to remain on their parents' insurance plan up to the age of 25 and an initiative that helped close the Medicare prescription drug donut hole.

"Maryland is better prepared than other states because of our prior investment in improving access to affordable health care. Strong public-private partnerships built over many years made these advances possible" said Secretary Colmers. "All this means that the new federal health reform legislation will actually save the state money."

According to analysis conducted by the Hilltop Institute, a nationally recognized research center at the University of Maryland Baltimore County, health care reform will generate substantial savings for Maryland taxpayers over the next several years. Using conservative projections, the state can expect to save \$829 million over the course of 10 years. The analysis takes a number of components into consideration, including those that would increase state expenditures such as the administrative and infrastructure expenses to meet the demands of a larger insured population. However, the report finds that savings from additional federal assistance for children's health insurance and increased revenue from premium assessment on insurance products will offset additional expenses related to federal health reform. Savings to the state increase over time and peak in FY2019.

The HCRCC report also created six work groups to address many of the most pressing challenges, including:

- the creation of an insurance exchange;
- entry to coverage for the uninsured;
- outreach and education about health reform implementation;
- protecting the public health safety net and special populations;
- building the necessary health care workforce; and
- transforming the health care delivery system.

These workgroups will address the full scope and complexity of these major aspects of reform - many of which will require further research. The workgroups will open doors, will be open to public participation and will complete their work before the final report is presented to Governor O'Malley in January 2011. Their efforts will help develop long-term strategies to coordinate implementation efforts between now and 2014, when the major components of health reform, including the Medicaid expansion and development of the health insurance exchange, go into effect.

The Governor, Lt. Governor, Secretary Colmers and members of the Council were joined at the event outside the Baltimore City Health Department Eastern Health District Center by Baltimore Mayor Stephanie Rawlings-Blake, Interim Baltimore City Health Department Commissioner Olivia Farrow, providers, health professionals and health advocates.

"It is clear that President Obama's historic health care reform is going to not only improve the health of this country, but the financial well-being as well," said Baltimore Mayor Stephanie Rawlings-Blake. "I appreciate the work done by Lt. Governor Brown and Secretary Colmers in preparing the blueprint for the statewide implementation of these vital reforms."

The HCRCC will continue to hold regular meetings and will present Governor O'Malley with a final report and blueprint for implementation in January 2011. The final report will reflect the Council's approach to implementation and outline avenues to improve the health of all Marylanders and promote health equity, develop a consumer-centric approach to coverage and care, improve quality and contain costs for those Marylanders with insurance, promote access to affordable coverage for those who do not, prepare and train a skilled health care workforce and provide a national model for the implementation of health reform.

Governor O'Malley tasked Lt. Governor Brown to lead the O'Malley-Brown administration's health care portfolio. Brown chairs the Maryland Health Quality and Cost Council and co-chairs the HCRCC with Secretary Colmers. During the 2010 legislative session, Brown championed efforts to pass the Maryland False Health Claims Act of 2010 which will help the state recover in FY11 over \$46.5 million of Medicaid funds that were stolen from taxpayers. Brown also led efforts to create the Patient Centered Medical Home program that offers providers with incentives to spend more time with patients and focus more closely on preventative care. In 2008, Lt. Governor Brown - a Colonel in the U.S. Army Reserves and the nation's highest-ranking elected official to serve a tour of duty in Iraq - partnered with members from both parties in the General Assembly to pass the Veterans Behavioral Health Act which improved and expanded mental and behavioral health services for veterans returning from Iraq and Afghanistan.

The full report can be found on the HCRCC website, <http://www.healthreform.maryland.gov>.

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